



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

News Release

FOR IMMEDIATE RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

JOINT INVESTIGATIONS LEAD TO CIVIL CHARGES AGAINST TWO UNLICENSED MOVING COMPANIES - GALORE ENTERPRISES AND DIAMOND RELOCATIONS

SAN FRANCISCO, April 17, 2006 - The California Public Utilities Commission's (PUC) Consumer Protection and Safety Division (CPSD) today announced that a staff investigation found that Ely Kavon and Jerry Kavon, a father and son team and also officers of Galore Enterprises and Diamond Relocations, performed moving services after revocation of their moving company permit in April 2004 for failure to file evidence of public liability insurance coverage.

The PUC staff investigation was initiated after receiving consumer complaints alleging loss and damages from moves performed by these unlicensed moving companies, who held consumer possessions hostage to demand more money than the original estimate provided and assessed exorbitant overcharges. The Commission received 12 consumer complaints in addition to the 76 complaints received by the Better Business Bureau (BBB).

The investigation also uncovered additional violations of PUC consumer protection rules that movers are required to follow, including but not limited to failure to issue the "Important Information For Persons Moving Household Goods" booklet and to acknowledge loss and damage claims.

In January 2005, the PUC submitted the results of its investigation to the Attorney General's office for prosecution. On Feb. 9, 2005, the Attorney General's office took possession of a Galore Moving and Storage warehouse facility located in Canoga Park. CPSD and the Attorney General's office investigators identified the stored household goods units and were responsible for making arrangements to release the intrastate household items to its proper owners/shippers.

On Feb. 10, 2005, the Attorney General's office filed a complaint for civil penalties, injunction, and other equitable relief, in the Los Angeles Superior Court. The Kavons were charged with violations of the Business and Profession Code sections 17200 (unfair competition)

and 17500 (untrue or misleading representations). The complaint asked for civil penalties and restitution of at least \$500,000. On Feb. 14, 2005, a Superior Court judge granted the Temporary Restraining Order, froze the assets of both corporations, and ordered all their business phone numbers to be disconnected. On March 23, 2006, the judge granted the permanent injunction and ordered a final judgment awarding \$1.85 million in civil penalties and restitution to customers of Galore and Diamond Relocation. Of the \$1.85 million, \$1.1 million is in restitution to consumers.

The Public Utilities Code makes it a crime to engage or attempt to engage in transporting used household goods without a valid PUC license. The PUC suggests that consumers check to see whether a moving company is licensed with the Commission before contracting with the company by calling the Commission at 1-800-877-8867 or visiting <http://www.cpuc.ca.gov/static/transportation/movers.htm>. If consumers have a complaint about a move that they cannot resolve with the mover, call the Commission at 1-800-366-4782 to file a complaint.

For more information on the PUC, please visit: www.cpuc.ca.gov.

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